



GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Finance (IF) Department - Regulation of Deposits with Commercial Banks, Regional Rural Banks, Cooperative Banks and Financial Institutions: Revised Orders issued:

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FINANCE (IF) DEPARTMENT

GO.Ms.No:145

Dated: 26.06.2014.  
Read.

GO.Ms.No.124, Finance (IF) Dept., dated 23.04.2009.

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ORDER:

Vide the GO read above, Government have issued orders stipulating the following criteria to banks/ financial institutions; in order to get notified for the purpose of placement of funds by the Government Departments, Government Corporations/ PSUs/ PF Funds etc:

- i. The eligible banking institutions would all be Scheduled Banks (Public Sector and Private Sector) and Regional Rural Banks but exclude Urban Cooperative Banks.
- ii. Minimum Net Worth of the banks should be Rs.300 Crores.
- iii. Minimum Capital Adequacy Ratio (CAR) prescribed by the Reserve Bank of India (RBI) should be maintained by the bank.
- iv. Bank should lend under Priority Sector as per the norms stipulated by RBI. The bank should also participate in the lending programmes sponsored by the Government as per the State Credit Plan/ Annual Credit Plan of the State Government.
- v. The performance of the bank should, in general, be satisfactory particularly in the areas of NPA management business growth and net profits.

2. Government have decided to relax the applicability of the criteria (ii) above that the notified bank/ financial institution should have Minimum Net worth of Rs.300 Crs; in respect of Regional Rural Banks (RRBs). This implies that Government Departments/ Corporations/ PSUs/ PF Funds etc; can keep funds/ maintain accounts with RRBs even if their net worth is less than Rs.300 Crs.

- Regional Rural Banks (RRBs) have been playing a crucial role in meeting the credit needs of rural areas and have become main tool for rural development.
- RRBs are State owned, with equity participation by GOI (50%) State Govt (15%) and the sponsor bank (35%) which is a Public Sector Bank.

(PTO)

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3. All the other conditions will remain unchanged. The above relaxation is applicable to the following Regional Rural Banks (RRBs) operating in the State Andhra Pradesh:

- i. Andhra Pradesh Grameena Vikas Bank (APGVB)
- ii. Andhra Pragathi Grameena Bank (APGB)
- iii. Chaitanya Godavari Grameena Bank (CGB)
- iv. Saptagiri Grameena Bank (SGB)

4. These orders will come into force with immediate effect.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

L.PREMACHANDRA REDDY  
SECRETARY TO GOVERNMENT (B & IF).

To

All the Departments of Secretariat.

All the Managing Director of Corporations and State Government Undertakings.

All the Commissioners/ Heads of Departments.

All District Collectors/Project Directors of District Rural Development Agencies.

All the Banks.

Copy to:

Private Secretary to Spl.Chief Secretaries/ Pril.Secretaries/ Secretaries to Government

The Regional of A.P. High Court, Hyderabad

The Regional Director, Reserve Bank of India, Hyderabad

The General Manager & Convenor, State Level Bankers' Committee, Andhra Bank, Hyderabad.

All Sections in Finance Department

All sections in planning Department

SF/SC.

//FORWARDED:: BY ORDER//

SECTION OFFICER